

# PROJECT

February 2017

DRIFTWOOD LNG

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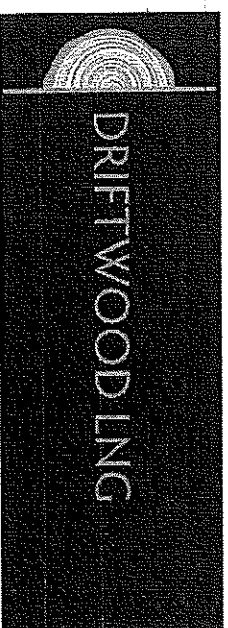
## Driftwood LNG team has developed projects over the past 50 years

- Tellurian Investments, the parent company of DWLNG, was founded by Martin Houston, former COO of BG Group plc, and Charif Souki, former CEO and co-founder of Cheniere Energy; we are led by CEO Meg Gentle, formerly at Cheniere Energy
- Foundation of experts with unmatched LNG industry experience, including significant experience working with federal regulatory agencies including FERC, DOE, USACE and USCG
- Worked on 13 LNG projects in use today around the world
- Focused on the competent and safe development of our project



*Martin Houston, Meg Gentle, Charif Souki*

# PROJECT OVERVIEW

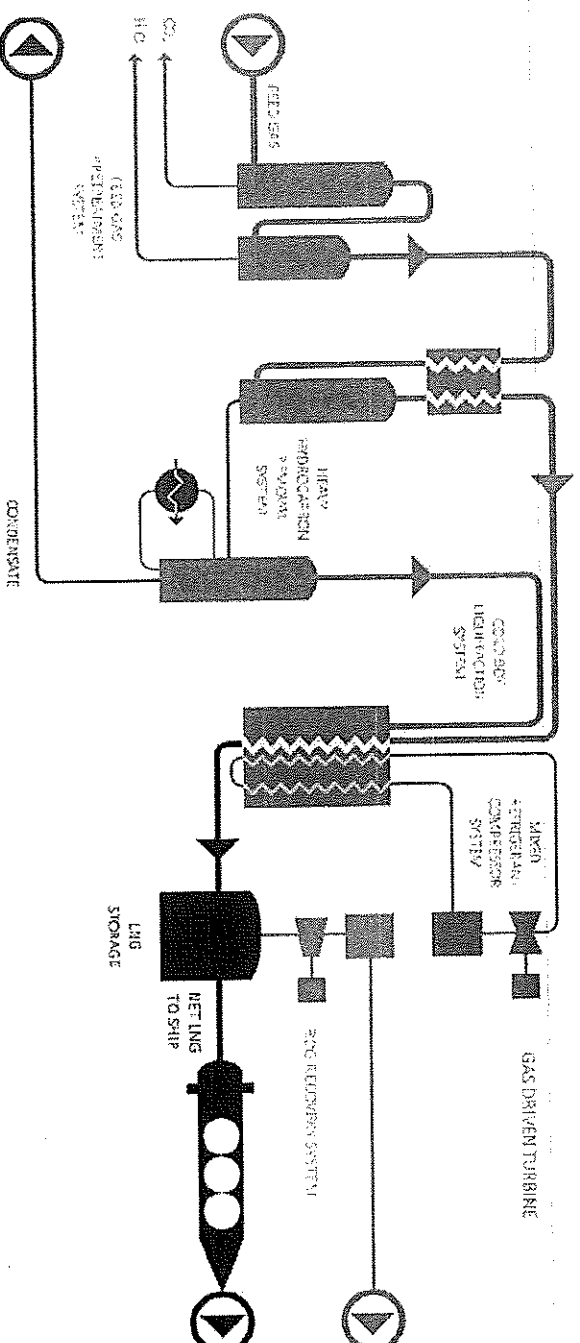


# Driftwood LNG – 26 MTPA



# Liquefaction process

- Liquefaction technology is Chart Industries' proprietary Integrated Pre-cooled Single Mixed Refrigerant (IPSMR®) process
- Refrigeration compressors driven by aero derivative natural gas turbines



2/21/2017

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# We want input and feedback

- Agency consultations initiated with all state and federal agencies (over 40)
- Local outreach with public officials has included Police Jury meetings and other presentations
- Community outreach has included five open houses in Sulphur, Lake Charles, Oberlin, Eunice and Kinder
- Landowners have also received official, certified notifications letters



*Senator Dan Morrish, DWLNG Project Manager Howard Candeleto*

## Driftwood LNG will bring jobs and other benefits

- Construction phase will bring 5,400 temporary jobs
- Facility and pipeline operations will bring 400 new jobs
- Expenditures and tax revenues will continue to benefit the area throughout operations
- Additional spending at local restaurants, hotels and other businesses will benefit the community
- Driftwood LNG will become a neighbor and part of the community through involvement and investment

# Schedule

## Regulatory schedule

Q2 2016 Pre-filing with Federal Energy Regulatory Commission (FERC)

Q2-Q4 2016 Draft resource reports submitted to FERC in Q2-Q4 2016

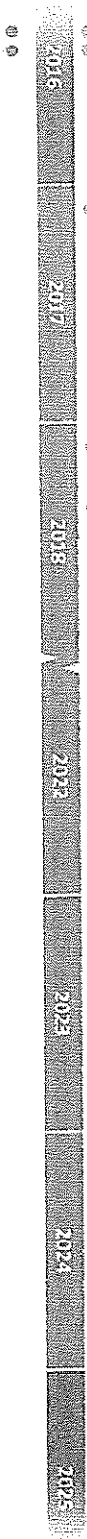
Q1 2017 DWLNG files Section 3 and Section 7 applications with FERC

Q1 2018 FERC issues Order Granting Section 3 and Section 7 Authorization

2018 Construction begins

2022 First LNG plant operational

2025 Project  
construction complete



Q2/Q3 2016 Project open houses hosted by DWLNG Project team and FERC Scoping Meeting

Q2 2016 Meeting with local Calcasieu Parish officials; incentives approved by state of Louisiana

## Community schedule



2/21/2017

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I THANK YOU



DRIFTWOOD LING

© Driftwood Ling LLC

**Darr, Melissa (CONTR)**

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**From:** Sweeney, Amy  
**Sent:** Tuesday, February 28, 2017 5:26 PM  
**To:** 'pat.outtrim@driftwoodlng.com'; 'lisa.tonery@nortonrosefulbright.com'  
**Cc:** FERGAS; Moore, Larine; Anderson, John; Bernstein, Cassandra; Sweeney, Amy; Moorman, Kyle; Nussdorf, Benjamin; Colwell, Ronald  
**Subject:** Driftwood LNG LLC  
**Attachments:** 16-144ord.pdf

Good afternoon Pat and Lisa,

Please find attached Order No. 3968 Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Driftwood LNG Facility in Calcasieu Parish, Louisiana to Free Trade Agreement Nations.

Please let us know of any questions.

Thank you,  
Amy

Amy Sweeney  
Director, Division of Natural Gas Regulation  
Office of Regulation and International Engagement  
U.S. Department of Energy  
[amy.sweeney@hq.doe.gov](mailto:amy.sweeney@hq.doe.gov)  
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UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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DRIFTWOOD LNG LLC  
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)  
)  
) FE DOCKET NO. 16-144-LNG

ORDER GRANTING LONG-TERM, MULTI-CONTRACT AUTHORIZATION  
TO EXPORT LIQUEFIED NATURAL GAS BY VESSEL FROM  
THE PROPOSED DRIFTWOOD LNG FACILITY IN  
CALCASIEU PARISH, LOUISIANA,  
TO FREE TRADE AGREEMENT NATIONS

DOE/FE ORDER NO. 3968

FEBRUARY 28, 2017

## **I. DESCRIPTION OF REQUEST**

On September 28, 2016, Driftwood LNG LLC (Driftwood LNG) filed an Application<sup>1</sup> with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>2</sup> for long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG) in a volume equivalent to approximately 1,496.5 billion cubic feet per year (Bcf/yr) of natural gas (4.1 Bcf per day). Driftwood LNG seeks to export the LNG by vessel from its proposed natural gas liquefaction facility to be located on the west side of the Calcasieu River, near Carlyss in Calcasieu Parish, Louisiana (Driftwood LNG Facility).

Driftwood LNG seeks authorization to export this LNG for (i) a 30-year term from the Driftwood LNG Facility to any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (FTA countries)<sup>3</sup>; and (ii) for a 20-year term from the Driftwood LNG Facility to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries). Driftwood LNG also requests a three-year “make-up period” following the end of the respective term of FTA or non-FTA authorization, such that it may continue exporting amounts of LNG as may be necessary to bring total exports up to the full volume authorized, if Driftwood is unable to export all volumes during the original export period.<sup>4</sup> Driftwood LNG seeks to export this LNG on its own behalf

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<sup>1</sup> Driftwood LNG LLC, Application for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Nations, DOE/FE Docket No. 16-144-LNG (Sept. 28, 2016) [hereinafter App.].

<sup>2</sup> The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-006.02 issued on November 12, 2014.

<sup>3</sup> The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

<sup>4</sup> App. at 5-6.

and as agent for other entities who will hold title to the LNG at the time of export. Driftwood LNG requests that the authorization commence on the earlier of the date of first export from the proposed Driftwood LNG Facility or seven years from the date the requested authorization is issued.

The portion of Driftwood LNG's Application that seeks authorization to export domestically produced LNG to FTA countries is being reviewed pursuant to NGA section § 3(c), 15 U.S.C. § 717b(c), and approved in this Order. The portion of the Application that seeks authorization to export domestically produced LNG to non-FTA countries will be reviewed pursuant to NGA section 3(a), 15 U.S.C. § 717b(a), and addressed in a separate order.

## **II. BACKGROUND**

**Applicant.** The Application states that Driftwood LNG is a Delaware limited liability company with its principal place of business in Houston, Texas. At the time Driftwood LNG filed its Application, Driftwood LNG was an indirect wholly-owned subsidiary of Tellurian Investments Inc. (Tellurian Investments). On February 17, 2017, however, Driftwood LNG notified DOE/FE of a change in Driftwood LNG's ownership interests.<sup>5</sup> In the change of control notice, Driftwood LNG states that, on February 10, 2017, Tellurian Investments merged with a wholly-owned subsidiary of Magellan Petroleum Corporation. Upon close of the merger, Magellan Petroleum Corporation changed its name to Tellurian Inc. (Tellurian). We take administrative notice that Tellurian is a Delaware corporation with its principal place of business in Houston, Texas. Driftwood LNG states that it is now an indirect wholly-owned subsidiary of Tellurian.<sup>6</sup>

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<sup>5</sup> Driftwood LNG LLC, Statement and Notice of Change in Control, FE Docket No. 16-144-LNG (Feb. 17, 2017) [hereinafter Change in Control Notice].

<sup>6</sup> See *id.* at 2. Pursuant to DOE's regulations and its procedures governing a change in control, DOE/FE will give immediate effect to this amendment of the Application and take no further action. See U.S. Dep't of Energy,

**Proposed Liquefaction Facility.** Driftwood LNG proposes to locate the Driftwood LNG Facility on the west side of the Calcasieu River in Calcasieu Parish, Louisiana, approximately five miles south of the town of Carlyss. The Facility will occupy approximately 720 acres of a 790 acre tract of land that Driftwood LNG has acquired by a combination of purchase (approximately 140 acres) and lease with the right to enter into a long-term lease of up to 50 years (an additional 650 acres).<sup>7</sup>

The Facility will consist of five LNG plants with each plant comprised of one gas pre-treatment unit and four liquefaction units. Each liquefaction unit will consist of a refrigeration compressor driven by aero derivative gas turbines. The Facility will also include three LNG storage tanks, each with a capacity of 235,000 cubic meters (m<sup>3</sup>) for a combined storage capacity of 705,000 m<sup>3</sup> for onsite storage. The marine loading facility will consist of three berths for LNG vessels located along the Calcasieu River.<sup>8</sup>

Along with the Facility, Driftwood LNG Pipeline LLC (DWPL), an affiliate of Driftwood LNG, intends to develop a 96-mile long interstate pipeline (Pipeline) to connect to the Facility. Driftwood LNG states that the Pipeline will connect up to 15 existing interstate pipelines and storage facilities to the Facility, enabling Driftwood LNG to maximize supply flexibility.<sup>9</sup>

Currently, both the Driftwood LNG Facility and the Pipeline are under review by the Federal Energy Regulatory Commission (FERC) in FERC Docket No. PF16-6.<sup>10</sup>

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Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541, 65,542 (Nov. 5, 2014) (procedures applicable to a pending application for a long-term FTA export authorization); *see also* 10 C.F.R. §§ 590.204(a), 590.405.

<sup>7</sup> See App., Appendix D (proof of site control).

<sup>8</sup> Driftwood LNG estimates that the berths can handle LNG vessels with cargo capacities ranging from 125,000 m<sup>3</sup> to 216,000 m<sup>3</sup>, page 3 of Application.

<sup>9</sup> App. at 3.

<sup>10</sup> *Driftwood LNG LLC and Driftwood LNG Pipeline LLC*, FERC Docket No. PF16-6-000.

**Source of Supply.** Driftwood LNG states that natural gas for the Driftwood LNG Facility will include supplies available from various producing regions throughout the eastern United States. Additionally, the Driftwood LNG Facility will have the capability to access the entire national natural gas pipeline grid through various interconnections.

**Business Model.** Driftwood LNG requests this authorization on its own behalf and as agent for other entities that will hold title to the LNG at the time of export. Driftwood LNG states that, to date, it has not entered into contracts for the proposed exports from the Driftwood LNG Facility. However, Driftwood LNG states that it will file all long-term, binding contracts associated with the export of LNG from its facility, once executed, in accordance with established policy and precedent and will comply with all DOE/FE requirements for exporters and agents, including registration requirements. Driftwood LNG further states that, when acting as agent, it will register with DOE/FE each LNG title holder for which it seeks to export LNG as agent, and will comply with other registration requirements as set forth in recent DOE/FE orders.

### **III. FINDINGS**

(1) Section 3(c) of the NGA was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that applications requesting authority for (a) the import and export of natural gas, including LNG, from and to a nation with which there is in effect a FTA requiring national treatment for trade in natural gas, and/or (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay. This Application falls within section 3(c), as amended, and therefore, DOE/FE is charged with granting the requested authorization without modification or delay.<sup>11</sup>

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<sup>11</sup> DOE further finds that the requirement for public notice of applications and other hearing-type procedures in 10 C.F.R. Part 590, are applicable only to applications seeking to export natural gas, including LNG, to countries with which the United States does not have a FTA requiring national treatment for trade in natural gas.

(2) In light of DOE's statutory obligation to grant this Application without modification or delay, there is no need for DOE/FE to review other arguments asserted by Driftwood LNG in support of the Application. The instant grant of authority should not be read to indicate DOE/FE's views on those arguments or on Driftwood LNG's request for non-FTA export authorization.

(3) The countries with which the United States has a FTA requiring national treatment for trade in natural gas currently are: Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore.

(4) As described above, Driftwood LNG requests authorization to export LNG on its own behalf and as agent for other entities who hold title to the LNG at the time of export. DOE/FE previously addressed the issue of Agency Rights in DOE/FE Order No. 2913,<sup>12</sup> which granted Freeport LNG Expansion, L.P., *et al.* (collectively, FLEX) authority to export LNG to FTA countries. In that order, DOE/FE approved a proposal by FLEX to register each LNG title holder for whom FLEX sought to export LNG as agent. DOE/FE found that this proposal was an acceptable alternative to the non-binding policy adopted by DOE/FE in *The Dow Chemical Company*,<sup>13</sup> which established that the title for all LNG authorized for export must be held by the authorization holder at the point of export. We find that the same policy considerations that supported DOE/FE's acceptance of the alternative registration proposal in DOE/FE Order No. 2913 apply here as well.

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<sup>12</sup> *Freeport LNG Expansion, L.P., et al.*, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations (Feb. 10, 2011).

<sup>13</sup> *The Dow Chemical Company*, DOE/FE Order No. 2859, FE Docket No. 10-57-LNG, Order Granting Blanket Authorization to Export Liquefied Natural Gas, at 7-8 (Oct. 5, 2010), discussed in *Freeport LNG*, DOE/FE Order No. 2913, at 7-8.



DOE/FE reiterated its policy on Agency Rights procedures in authorizations including in *Cameron LNG, LLC*, DOE/FE Order No. 3680.<sup>14</sup> In that order, DOE/FE determined that, in LNG export orders in which Agency Rights have been granted, DOE/FE shall require registration materials filed for, or by, an LNG title-holder (Registrant) to include the same company identification information and long-term contract information of the Registrant as if the Registrant had filed an application to export LNG on its own behalf.<sup>15</sup>

To ensure that the public interest is served, the authorization granted herein shall be conditioned to require that where Driftwood LNG proposes to export LNG as agent for other entities who hold title to the LNG (Registrants), Driftwood LNG must register with DOE/FE those entities on whose behalf it will export LNG in accordance with the procedures and requirements described herein.

(5) Section 590.202(b) of DOE's regulations requires applicants to supply transaction-specific factual information "to the extent practicable."<sup>16</sup> Additionally, DOE regulations at 10 C.F.R. § 590.202(e) allow confidential treatment of the information supplied in support of or in opposition to an application if the submitting party requests such treatment, shows why the information should be exempted from public disclosure, and DOE determines it will be afforded confidential treatment in accordance with 10 C.F.R. § 1004.11.

(6) DOE/FE will require that Driftwood LNG file or cause to be filed with DOE/FE any relevant long-term commercial agreements (contracts) pursuant to which Driftwood LNG exports LNG as agent for a Registrant once those agreements have been executed. DOE/FE

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<sup>14</sup> *Cameron LNG, LLC*, DOE/FE Order No. 3680, FE Docket No. 15-36-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel from the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Free Trade Agreement Nations) (July 10, 2015).

<sup>15</sup> See *id.* at 7-8.

<sup>16</sup> 10 C.F.R. § 590.202(b).

finds that the submission of all such agreements or contracts within 30 days of their execution using the procedures described below will be consistent with the “to the extent practicable” requirement of section 590.202(b). By way of example and without limitation, a “relevant long-term commercial agreement” would include an agreement with a minimum term of two years, such as a long-term purchase and sales agreement involving LNG stored or liquefied at the Driftwood LNG Facility.

(7) DOE/FE also will require Driftwood LNG to file any long-term contracts Driftwood LNG enters into providing for the long-term export of LNG on its own behalf from the Driftwood LNG Facility. DOE/FE finds that the submission of these contracts within 30 days of their execution using the procedures described below will be consistent with the “to the extent practicable” requirement of section 590.202(b).

(8) In addition, DOE/FE finds that section 590.202(c) of DOE/FE’s regulations<sup>17</sup> requires that Driftwood LNG file, or cause to be filed, all long-term contracts associated with the long-term supply of natural gas to the Driftwood LNG Facility, whether signed by Driftwood LNG or the Registrant, within 30 days of their execution.

(9) DOE/FE recognizes that some information in Driftwood LNG’s or a Registrant’s long-term commercial agreements associated with the export of LNG, and/or long-term contracts associated with the long-term supply of natural gas to the Driftwood LNG Facility, may be commercially sensitive. DOE/FE therefore will provide Driftwood LNG the option to file or cause to be filed either unredacted contracts, or in the alternative: (A) Driftwood LNG may file, or cause to be filed, long-term contracts under seal, but it also will file either: i) a copy of each long-term contract with commercially sensitive information redacted, or ii) a summary of all

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<sup>17</sup> *Id.* § 590.202(c).

major provisions of the contract(s) including, but not limited to, the parties to each contract, contract term, quantity, any take or pay or equivalent provisions/conditions, destination, re-sale provisions, and other relevant provisions; and (B) the filing must demonstrate why the redacted or non-disclosed information should be exempted from public disclosure.

To ensure that DOE/FE destination and reporting requirements included in the Order are conveyed to subsequent title holders, DOE/FE will include as a condition of this authorization that future contracts for the sale or transfer of LNG exported pursuant to the Order shall include an acknowledgement of these requirements.

(10) Driftwood LNG will be permitted to continue exporting for a total of three years following the end of the 30-year term established in this Order, solely to export any Make-Up Volume that it was unable to export during the original export period. The three-year term during which the Make-Up Volume may be exported shall be known as the “Make-Up Period.” The Make-Up Period does not affect or modify the total volume of LNG authorized in this Order. Insofar as Driftwood LNG may seek to export additional volumes not previously authorized for export, it will be required to obtain appropriate authorization from DOE/FE.

### **ORDER**

Pursuant to section 3 of the NGA, it is ordered that:

A. Driftwood LNG LLC is authorized to export domestically produced LNG by vessel from the Driftwood LNG Facility, to be located in Calcasieu Parish, Louisiana. The volume authorized in this Order is equivalent to approximately 1,496.5 Bcf/yr of natural gas for a 30-year term, beginning on the earlier of the date of first export or seven years from the date the authorization is issued (February 28, 2024). Driftwood LNG is authorized to export this LNG on

its own behalf and as agent for other entities who hold title to the natural gas, pursuant to one or more long-term contracts (a contract greater than two years).

Driftwood LNG may continue exporting for a total of three years following the end of the 30-year export term, solely to export any Make-Up Volume that it was unable to export during the original export period. The three-year Make-Up Period allowing the export of Make-Up Volumes does not affect or modify the maximum volume of LNG authorized for export in this Order (44,895 Bcf total over the 30-year term). Insofar as Driftwood LNG may seek to export additional volumes not previously authorized for export, it will be required to obtain appropriate authorization from DOE/FE.

B. This LNG may be exported to Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore, and to any nation with which the United States subsequently enters into a FTA requiring national treatment for trade in natural gas, provided that the destination nation has the capacity to import LNG via ocean going vessels. FTA countries are currently identified by DOE/FE at:

<http://www.fossil.energy.gov/programs/gasregulation/index.html>

C. Driftwood LNG shall ensure that all transactions authorized by this Order are permitted and lawful under U.S. laws and policies, including the rules, regulations, orders, policies, and other determinations of the Office of Foreign Assets Control of the United States Department of the Treasury. Failure to comply with this requirement could result in rescission of this authorization and/or other civil or criminal remedies.

D. (1) Driftwood LNG shall file, or cause others to file, with the Office of Regulation and International Engagement a non-redacted copy of all executed long-term contracts associated

with the long-term export of LNG on its own behalf or as agent for other entities from the Driftwood LNG Facility. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if Driftwood LNG has filed the contracts described in the preceding sentence under seal or subject to a claim of confidentiality or privilege, within 30 days of their execution, Driftwood LNG shall also file, or cause others to file, for public posting either: a) a redacted version of the contracts described in the preceding sentence, or b) major provisions of the contracts. In these filings, Driftwood LNG shall state why the redacted or non-disclosed information should be exempted from public disclosure.

(2) Driftwood LNG shall file, or cause others to file, with the Office of Regulation and International Engagement a non-redacted copy of all executed long-term contracts associated with the long-term supply of natural gas to the Driftwood LNG Facility. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if Driftwood LNG has filed the contracts described in the preceding sentence under seal or subject to a claim of confidentiality or privilege, within 30 days of their execution, Driftwood LNG shall also file, or cause others to file, for public posting either: a) a redacted version of the contracts described in the preceding sentence, or b) major provisions of the contracts. In these filings, Driftwood LNG shall state why the redacted or non-disclosed information should be exempted from public disclosure.

E. Driftwood LNG shall include, and require others for whom Driftwood LNG acts as agent to include, the following provision in any agreement or other contract for the sale or transfer of LNG exported pursuant to this Order:

Customer or purchaser acknowledges and agrees that it will resell or transfer LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3968, issued February 28, 2017, in FE Docket No. 16-144-LNG, and/or to purchasers that have agreed in writing to limit their direct or indirect

resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Driftwood LNG LLC that identifies the country (or countries) into which the LNG or natural gas was actually delivered and/or received for end use, and to include in any resale contract for such LNG the necessary conditions to ensure that Driftwood LNG LLC is made aware of all such countries.

F. Driftwood LNG is permitted to use its authorization in order to export LNG as agent for other entities, after registering the other parties with DOE/FE. Registration materials shall include an acknowledgement and agreement by the Registrant to supply LNG with all information necessary to permit Driftwood LNG to register that person or entity with DOE/FE, including: (1) the Registrant's agreement to comply with this Order and all applicable requirements of DOE's regulations at 10 C.F.R. Part 590, including but not limited to destination restrictions; (2) the exact legal name of the Registrant, state/location of incorporation/registration, primary place of doing business, and the Registrant's ownership structure, including the ultimate parent entity if the Registrant is a subsidiary or affiliate of another entity; (3) the name, title, mailing address, e-mail address, and telephone number of a corporate officer or employee of the Registrant to whom inquiries may be directed; (4) within 30 days of execution, a copy of any long-term contracts not previously filed with DOE/FE, described in Ordering Paragraph D of this Order.

G. Each registration submitted pursuant to this Order shall have current information on file with DOE/FE. Any changes in company name, contact information, length of the long-term contract, termination of the long-term contract, or other relevant modification, shall be filed with DOE/FE within 30 days of such change(s).

H. As a condition of this authorization, Driftwood LNG shall ensure that all persons required by this Order to register with DOE/FE have done so. Any failure by Driftwood LNG to

ensure that all such persons or entities are registered with DOE/FE shall be grounds for rescinding the authorization in whole or in part.

I. Within two weeks after the first export of domestically produced LNG occurs from the Driftwood LNG Facility, Driftwood LNG shall provide written notification of the date that the first export of LNG authorized in Ordering Paragraph A above occurred.

J. Driftwood LNG shall file with the Office of Regulation and International Engagement, on a semi-annual basis, written reports describing the status of the Driftwood LNG Facility. The reports shall be filed on or by April 1 and October 1 of each year, and shall include information on the progress of the Driftwood LNG Facility, the date the Driftwood LNG Facility is expected to be operational, and the status of the long-term contracts associated with the long-term export of LNG and any related long-term supply contracts.

K. With respect to any change in control of the authorization holder, Driftwood LNG must comply with DOE/FE Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas.<sup>18</sup> For purposes of this Ordering Paragraph, a “change in control” shall include any change, directly or indirectly, of the power to direct the management or policies of Driftwood LNG, whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.<sup>19</sup>

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<sup>18</sup> See U.S. Dep’t of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014).

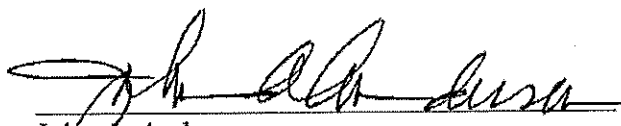
<sup>19</sup> See *id.* at 65,542.

L. Monthly Reports: With respect to the LNG exports authorized by this Order, Driftwood LNG shall file with the Office of Regulation and International Engagement, within 30 days following the last day of each calendar month, a report indicating whether exports of LNG have been made. The first monthly report required by this Order is due not later than the 30<sup>th</sup> day of the month following the month of first export. In subsequent months, if exports have not occurred, a report of "no activity" for that month must be filed. If exports of LNG have occurred, the report must give the following details of each LNG cargo: (1) the name(s) of the authorized exporter registered with DOE/FE; (2) the name of the U.S. export terminal; (3) the name of the LNG tanker; (4) the date of departure from the U.S. export terminal; (5) the country (or countries) into which the LNG or natural gas is actually delivered and/or received for end use; (6) the name of the supplier/seller; (7) the volume in thousand cubic feet (Mcf); (8) the price at point of export per million British thermal units (MMBtu); (9) the duration of the supply agreement (indicate spot sales); and (10) the name(s) of the purchaser(s).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

M. All monthly report filings shall be made to the Division of Natural Gas Regulation, Office of Regulation and International Engagement, Office of Fossil Energy, U.S. Department of Energy (FE-34), P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Natural Gas Reports. Alternatively, reports may be e-mailed to [ngreports@hq.doe.gov](mailto:ngreports@hq.doe.gov), or may be faxed to Natural Gas Reports at (202) 586-6050.

Issued in Washington, D.C., on February 28, 2017.



John A. Anderson  
Director, Office of Regulation and International Engagement  
Office of Oil and Natural Gas



**From:** [Wood, Natalie \(CONTR\)](#)  
**To:** [Sweeney, Amy](#)  
**Cc:** [Moore, Larine](#)  
**Subject:** FW: Driftwood LNG CP17-117  
**Date:** Friday, October 13, 2017 10:37:03 AM  
**Attachments:** [Tellurian FERC application FINAL.PDF](#)

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FYI

Regards,

Ms. Natalie Wood  
Support Contractor  
Division of Natural Gas Regulation  
Office of Regulation and International Engagement  
Office of Fossil Energy  
202-586-9394  
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<http://energy.gov/fe/services/natural-gas-regulation>

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Follow us on Twitter at <http://www.twitter.com/fossilenergygov>

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**From:** Anderson, John  
**Sent:** Monday, April 03, 2017 11:42 AM  
**To:** Sweeney, Amy <[Amy.Sweeney@hq.doe.gov](mailto:Amy.Sweeney@hq.doe.gov)>; Bernstein, Cassandra <[Cassandra.Bernstein@Hq.Doe.Gov](mailto:Cassandra.Bernstein@Hq.Doe.Gov)>; Le Duc, Edward <[Edward.LeDuc@hq.doe.gov](mailto:Edward.LeDuc@hq.doe.gov)>; Porter, Steven <[Steven.Porter@hq.doe.gov](mailto:Steven.Porter@hq.doe.gov)>  
**Cc:** Smith, Robert J <[RobertJ.Smith@Hq.Doe.Gov](mailto:RobertJ.Smith@Hq.Doe.Gov)>; Moorman, Kyle <[Kyle.Moorman@hq.doe.gov](mailto:Kyle.Moorman@hq.doe.gov)>; Nussdorf, Benjamin <[Benjamin.Nussdorf@Hq.Doe.Gov](mailto:Benjamin.Nussdorf@Hq.Doe.Gov)>; Wood, Natalie (CONTR) <[Natalie.Wood@hq.doe.gov](mailto:Natalie.Wood@hq.doe.gov)>; Moore, Larine <[Larine.Moore@hq.doe.gov](mailto:Larine.Moore@hq.doe.gov)>  
**Subject:** FW: Driftwood LNG CP17-117

fyi

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**From:** Cathy Rourke [<mailto:Cathy.Rourke@tellurianinc.com>]  
**Sent:** Monday, April 03, 2017 11:20 AM  
**To:** Kelley A. Munoz <[Kelley.Munoz@ferc.gov](mailto:Kelley.Munoz@ferc.gov)>; Terry.Turpin@ferc.gov; Anderson, John <[John.Anderson@hq.doe.gov](mailto:John.Anderson@hq.doe.gov)>; [alan.mayberry@dot.gov](mailto:alan.mayberry@dot.gov)  
**Cc:** Eryn Pullin <[Eryn.Pullin@tellurianinc.com](mailto:Eryn.Pullin@tellurianinc.com)>; Pat Outtrim <[Pat.Outtrim@tellurianinc.com](mailto:Pat.Outtrim@tellurianinc.com)>  
**Subject:** Driftwood LNG CP17-117

Please find attached the Press Release for the Driftwood LNG Terminal FERC Application.

Feel free to contact me if you have any questions or comments. Thank you!

Cathy Rourke  
VP, Health, Safety, and Environmental  
Driftwood LNG  
1201 Louisiana, Suite 3100  
Houston, TX 77002

(O) (832) 962-4031  
(C) (b) (6)



NEWS RELEASE – for release Monday, 3 April 2017 at 0700 EST

### Driftwood LNG files formal FERC application

**HOUSTON, Texas – (Marketwired April 3, 2017)** – Tellurian Inc. (NASDAQ:TELL) (Tellurian) announced today that its wholly owned subsidiaries, Driftwood LNG LLC and Driftwood Pipeline LLC have completed the pre-filing phase and collectively submitted a formal application with the Federal Energy Regulatory Commission (FERC) to construct and operate an approximately 26 million tonnes per annum (mtpa) liquefied natural gas (LNG) export facility near Lake Charles, Louisiana and a 96-mile pipeline connecting the facility to interstate pipelines (the Driftwood LNG project). Tellurian expects to begin construction of the Driftwood LNG project in 2018 and produce first LNG in 2022, with full operations beginning in 2025.

Tellurian President and CEO Meg Gentle said, "Throughout the pre-filing phase, the representatives at FERC, the Department of Energy and the US Coast Guard have been well-organized, thorough, and proficient in ensuring that Driftwood LNG is designed and permitted with a priority on safety, reliability, and efficiency. We look forward to continuing to work with FERC and other agencies on a timely approval process and beginning construction in 2018."

The Driftwood LNG project will require approximately 6,400 workers during the construction phase, and will create nearly 400 new permanent jobs when fully operational. Tellurian expects that engineering, procurement, and construction costs will be approximately \$13 - \$16 billion for the Driftwood LNG export facility and expects to make a final investment decision to begin construction following regulatory approval in mid-2018.

###

#### About Tellurian Inc.

Tellurian was founded by Charif Souki and Martin Houston and is led by President and CEO Meg Gentle. The employees and contractors of Tellurian are experienced industry experts developing low-cost liquefied natural gas (LNG) projects along the United States Gulf Coast. The team intends to deliver results using a repeatable and simple design, off-the-shelf equipment and multiple production units to enhance reliability. The team has been delivering cost-leading LNG projects for more than 50 years. They are focusing their collective knowledge and expertise to establish a new global standard and intend to deliver low cost LNG to customers from the proposed Driftwood LNG project, which includes an approximately 26 million tonnes per annum LNG export facility expected to begin operations in 2022.

For more information, please visit [www.tellurianinc.com](http://www.tellurianinc.com).

#### CAUTIONARY INFORMATION ABOUT FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of U.S. federal securities laws. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "initial," "intend," "may," "plan," "potential," "project," "should," "will," "would," and similar expressions are intended to identify forward-looking statements. Forward-looking statements herein relate to, among other things, the performance, timing and permitting of Tellurian's Driftwood LNG project. These statements involve a number of known and unknown risks, which may cause actual results to differ

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materially from expectations expressed or implied in the forward-looking statements. These risks include uncertainties about the development and performance of the Driftwood LNG project, other matters discussed in the "Risk Factors" section of Exhibit 99.1 to the Current Report on Form 8-K/A filed by Tellurian with the Securities and Exchange Commission (the "SEC") on March 15, 2017, and other filings with the SEC, all of which are incorporated by reference herein. The forward-looking statements in this press release speak as of the date of this release. Although Tellurian may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so except as required by securities laws.

**Contact:**

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Submitted: June 12, 2017



SI BRIEFING

**EVENT:** Meeting with Charif Souki and Meg Gentle, Tellurian Investments Inc.

**DATE:** June 13, 2017

**TIME:**

**LOCATION:**

**PURPOSE:** Meet and Greet with Secretary Perry

**PRESS:** Closed.

**LOGISTICS:**

**ATTENDEES:**

**BACKGROUND:**

This will be your first meeting with Charif Souki, co-founder and Chairman of the Board and CEO of Tellurian Investments Inc., and Meg Gentle, President and CEO of Tellurian. Mr. Souki was the co-founder and former CEO of Cheniere Energy Inc. and developed the first lower-48 states large-scale liquefied natural gas export facility in the United States, Sabine Pass. Mr. Souki left as CEO of Cheniere Energy in late 2015, just as it was about to become operational. Mr. Souki's departure was reportedly due to differences with the Cheniere board, including major Cheniere investor and board member Carl Icahn. Ms. Gentle is also formerly a Cheniere employee.

Mr. Souki has now founded Tellurian Investments Inc., a new company that is developing Driftwood LNG, a large-scale LNG export facility south of Lake Charles, LA. The meeting will provide **YOU** with an opportunity to hear Tellurian's views on the challenges facing U.S. LNG export projects.

**COMPANY BACKGROUND:**

Tellurian Investments Inc. was founded as a private company on February 23, 2016 by Charif Souki and Martin Houston. On February 10, 2017, it merged with Magellan Petroleum and became a public company known as Tellurian Inc. In May 2017, Tellurian withdrew a proposed public offering of 10 million shares owing to adverse market conditions.

Tellurian is led by President and CEO Meg Gentle. Tellurian has a major U.S. Gulf Coast LNG export project, Driftwood LNG, in development, as well as exploration and production interests in the UK and Australia. Their major interest is in Driftwood LNG, where they seek to develop low-cost liquefied natural gas for export from Driftwood LNG, a 26 million tonnes per annum (mtpa)/4.1 billion cubic feet per day (Bcf/d) liquefied natural gas (LNG) export facility expected to become operational in 2022.



## **DRIFTWOOD APPLICATION STATUS AT DOE**

- Driftwood LNG received authorization from DOE to export up to 4.1 billion cubic feet of natural gas per day to countries with which the U.S. has a free trade agreement in February 2017.
- Per DOE's current procedures, DOE will act on the Driftwood's application to export natural gas to non-free trade agreement countries once it has completed a public interest review of the application, including an environmental review of the application under the National Environmental Policy Act, NEPA.
- FERC is leading the review of the Driftwood project under NEPA with DOE acting as a cooperating agency.
- (b) (5)

## **DOE LNG Exports Status**

- DOE has currently approved 10 large-scale LNG export projects for exports to non-FTA countries in a cumulative volume of 21.0 billion cubic feet/day.
- The global LNG market is widely acknowledged to be oversupplied at the moment, with global demand not expected to reach available supply until the early to mid-2020s.
- Of the 21 billion cubic feet a day authorized for exports to non-FTA countries, 10.25 Bcf/d is under long-term contract and slightly less than 10 Bcf/d is under long-term contract.
- The last four large-scale LNG export facilities that have received full authorization by both FERC and DOE for exports to non-FTA countries, Lake Charles, Magnolia, Golden Pass, and Delfin, have not yet reached a final investment decision. Several of the other fully-permitted projects are not constructing to their fully authorized capacities at this time.
- Only one large-scale export facility in the U.S. is currently exporting, Cheniere's Sabine Pass, which is currently operating 3 of its 6 LNG trains with 2 additional trains under construction. Dominion Cove Point in Maryland is expected to come online later this year.

## **TALKING POINTS**

- (b) (5)

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Submitted: June 12, 2017

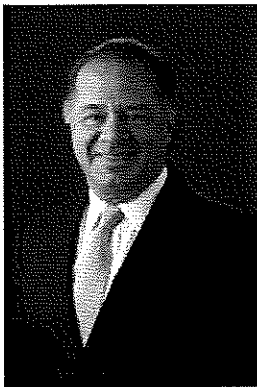


SI BRIEFING

**BRIEFING PREPARED BY:** Amy Sweeney, FE Office of Oil and Gas

**BRIEFING REVIEWED BY:** Margaret Schaus, Office of Fossil Energy

**ATTACHMENTS:** Biography for Charif Souki, Meg Gentle



**Charif Souki**  
Chairman of the Board, Tellurian Inc.

Charif co-founded Tellurian and serves as Chairman of the Board. He also founded Cheniere Energy, Inc. in 1996 and served as Chairman of the Board of Directors, Chief Executive Officer and President until December 2015. Prior to Cheniere, Charif was an investment banker. He serves on the board of trustees of the American University of Beirut and as a member of the Advisory Board of the Center on Global Energy Policy at Columbia University. Charif received a B.A. from Colgate University and an MBA from Columbia University.



**Meg Gentle**  
President and Chief Executive Officer, Tellurian Inc.

Meg joined Tellurian as President and CEO in August 2016. She previously served as Executive Vice President-Marketing at Cheniere Energy, Inc. In addition, she served as Senior Vice President-Marketing, Senior Vice President and Chief Financial Officer, Senior Vice President-Strategic Planning & Finance, Vice President of Strategic Planning, and Manager of Strategic Planning for Cheniere. Before Cheniere, Meg spent eight years in energy market development, economic evaluation and long-range planning. She conducted international business development and strategic planning for Anadarko Petroleum Corporation, and energy market analysis for Pace Global Energy Services. Meg received a B.A. in Economics and International Affairs from James Madison University in May 1996 and an M.B.A. from Rice University in May 2004.